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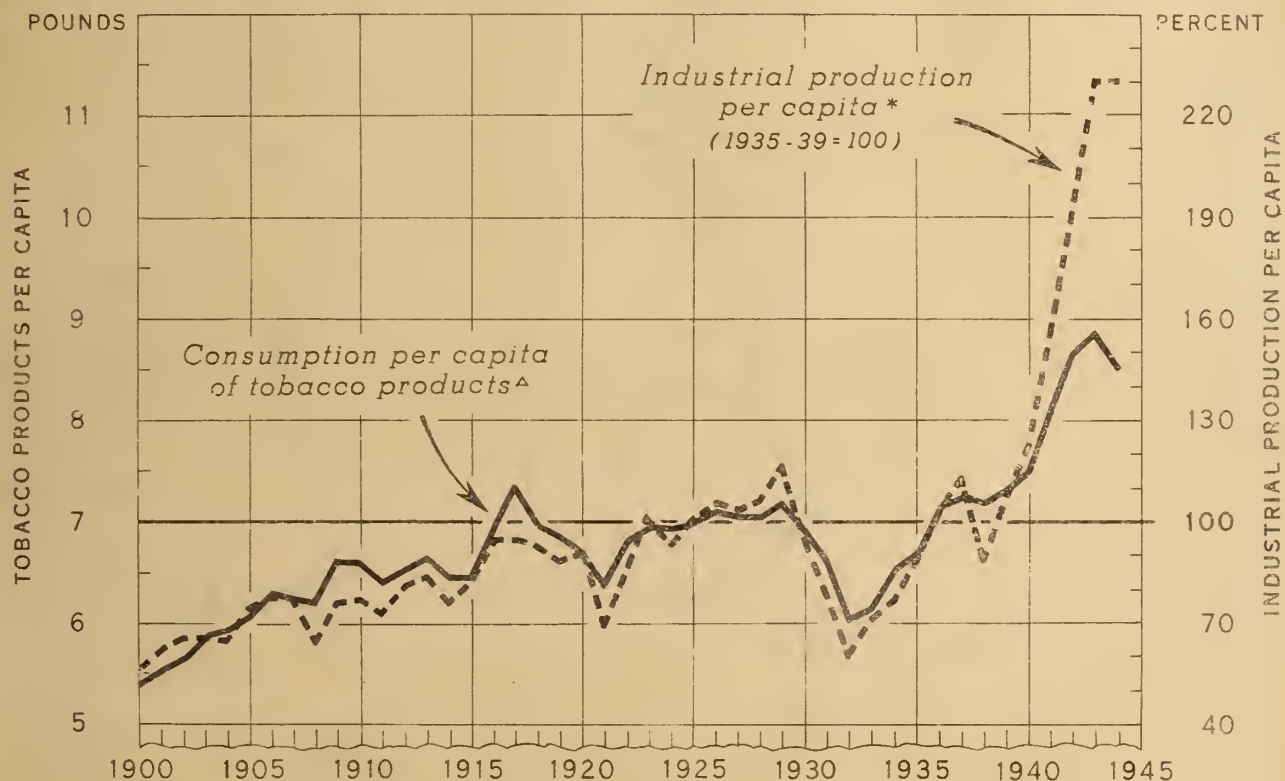
SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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JANUARY 1945

CONSUMPTION PER CAPITA OF ALL TOBACCO PRODUCTS, AND
INDUSTRIAL PRODUCTION PER CAPITA, UNITED STATES, 1900-1944

EXCLUSIVE OF ESTIMATED NUMBER OF PERSONS IN THE ARMED FORCES ABROAD, 1942-44

* FEDERAL RESERVE BOARD INDEX NUMBERS ADJUSTED FOR CHANGES IN POPULATION

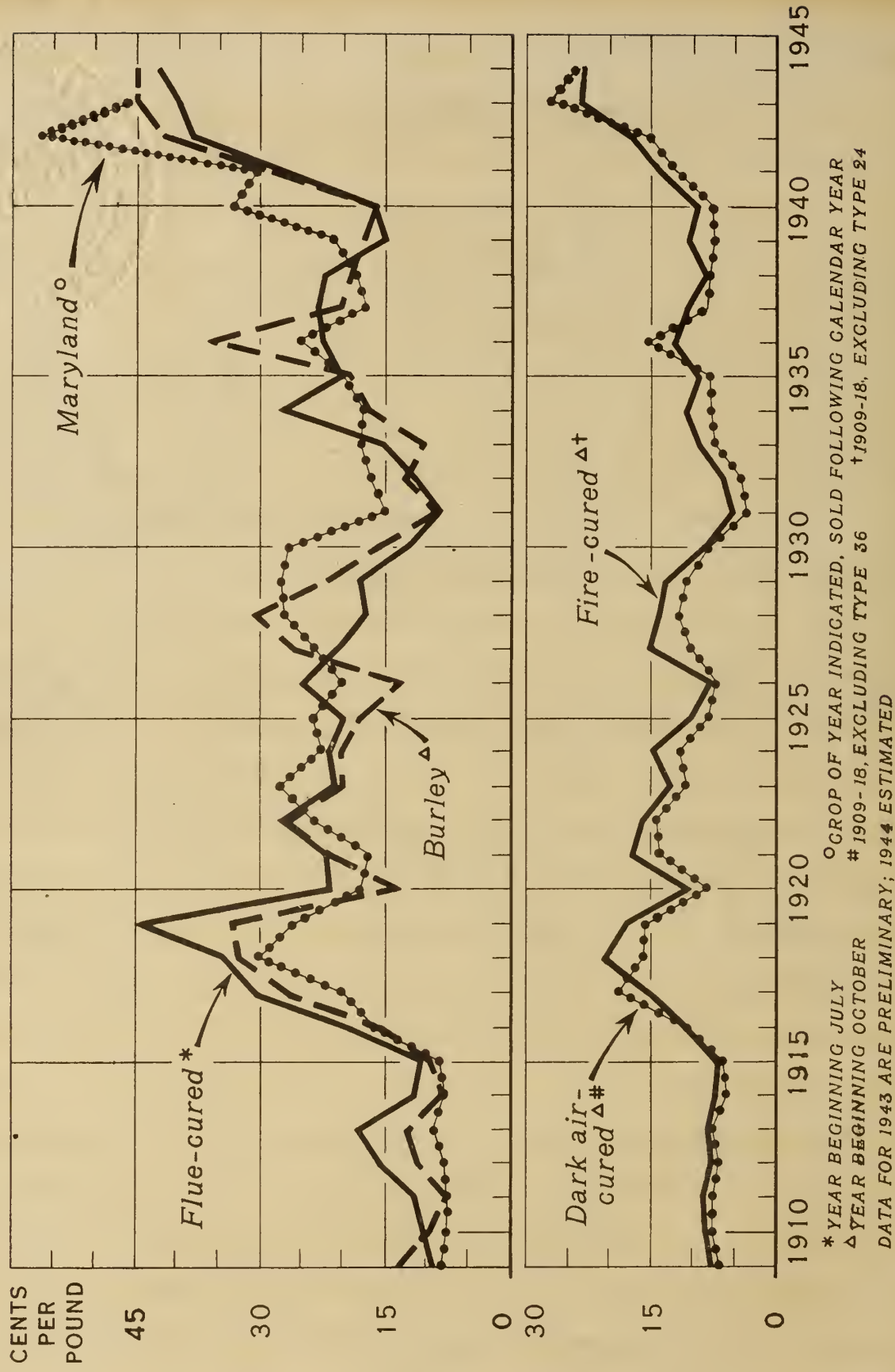
^ BASED ON TAX-PAID WITHDRAWALS

U. S. DEPARTMENT OF AGRICULTURE

NEG. 24111 BUREAU OF AGRICULTURAL ECONOMICS

Domestic prices of all types of tobacco have increased sharply since the beginning of the war and most types during the current season (1944-45) have sold at record or near record levels. The high level of domestic consumption of tobacco products, particularly cigarettes, and increased shipments to the armed forces overseas have been the major factors in the strong demand for cigarette tobacco. The high prices of dark tobacco are largely accounted for by increased demand for tobacco products manufactured from dark types, reduced production, and the expectation of an increase in exports to continental Europe as additional countries are liberated.

TOBACCO: PRICES RECEIVED BY FARMERS, BY TYPES OR CLASSES, UNITED STATES, 1909-44



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Summary

The over-all consumption of tobacco products in this country is continuing at an exceptionally high rate, although it appears to have reached a peak for the war period. The tobacco industry is now experiencing serious difficulties in further expanding production, a situation which may continue to prevail as long as the war in Europe continues. In the case of cigarettes, which account for a large proportion of the total production and consumption of tobacco products, it is believed that production cannot be materially increased unless more labor and machinery, and, in some instances more leaf tobacco, are made available to manufacturers. The over-all stocks of leaf tobacco appear adequate to maintain the present high level of cigarette production. Supplies of some manufacturers however, appear to be low. The increase in over-all production of tobacco products since the beginning of the war is largely in cigarettes, since smoking tobacco and cigars have declined.

Although the industry has not been able to meet in full the extraordinary demands placed upon it in recent months, manufacturers, faced with serious production problems, have been able almost to double the output of cigarettes since 1939.

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While it is likely that after VE-Day, the labor situation and other conditions may permit some further expansion in the production of tobacco products, particularly cigarettes, it seems likely that the over-all demand for tobacco products will decline below present record levels. Among the factors which would tend to cause a decline in demand would be a drop in consumer income, which is closely related to expenditures for tobacco products, reductions in the present relatively large purchases for the military personnel, and reduced use of tobacco products by employees in war plants where consumption is unusually high.

In the midst of the marketing season for the second largest crop of tobacco ever produced, and the all time record for cigarette types, demand for tobacco continues exceptionally strong and average prices are at or near the highest ever received by growers. All major types, except fire-cured and dark air-cured, have been under maximum price regulations again this season and, because of the exceptionally strong demand and the willingness of buyers to pay ceiling prices, flue-cured and burley have been allocated to manufacturers and dealers in a manner similar to last season.

All flue-cured markets have closed for the season and the average price paid growers was approximately 42-1/2 cents per pound, compared with 40.2 cents for the 1943 crop and the record high of 44.4 for the 1919 crop. So far this season about four-fifths of the burley crop has been sold at an average of 45 cents per pound, compared with the record high of 45.6 for the 1943 crop. Prices of dark tobacco have averaged slightly below the record highs of a year earlier. The high 1944 prices and the large 1944 production will result in the largest gross income to growers in the history of the

industry. Production of all types of tobacco in 1944 is now placed at 1,835 million pounds, which is nearly 1/3 larger than the 1943 crop, and only slightly less than the record crop of 1939.

Inventories of leaf tobacco are somewhat below a year ago, but with the large 1944 crop now entering stocks, the indicated total supply is a little larger than last year. Although stocks of flue-cured tobacco are now higher than in most pre-war years, they, as well as stocks of burley and some of the other types, are low in relation to the present rate of disappearance. With domestic consumption tending to level off and production remaining at present levels, little or no further reduction in stocks is anticipated.

The outlook for exports of flue-cured tobacco, though still dominated by war, is reasonably favorable. The Commodity Credit Corporation purchased approximately 337 million pounds from the 1944 crop, about 330 million pounds of which were earmarked for export. In addition, dealers were allocated about 60 million pounds to be purchased from the 1944 crop for export. Exports of dark tobacco are now at a low level although exports may increase somewhat as shipping facilities become available and as additional countries on the Continent of Europe are liberated and responsible governments established. It appears likely that the relatively large shipments of flue-cured may continue until the end of the war in Europe, and that an increase in foreign demand for flue-cured and dark tobacco may follow soon after the end of hostilities. However, it is possible that exports may decline after the immediate post-war requirements are met. According to reports, production on the Continent of Europe has increased since the beginning of the war. The outlook for exports of tobacco from this country to the Far East does not seem promising.

January 29, 1945

PRODUCTION AND CONSUMPTION OF TOBACCO PRODUCTS

The over-all production of tobacco products in this country in 1944 (including cigarettes, cigars, chewing tobacco, smoking tobacco, and snuff) was at the highest level in the history of the industry. The increase in production since the beginning of the war is due largely to the increased utilization of cigarettes, inasmuch as chewing tobacco and snuff have shown only moderate increases in volume over pre-war years, and domestic manufacture of smoking tobacco is at the lowest level in many years. The total increase in cigarette production since 1940 has been approximately 70 percent. Domestic consumption of tobacco products in 1944 was about the same as in 1943, but shipments to the armed forces abroad increased sharply.

Cigarettes

It is estimated that during the calendar year 1944, the number of cigarettes produced by manufacturing establishments in the United States for domestic use and for shipments abroad totaled approximately 320 billion cigarettes, about 25 billion more than in 1943, and the largest number in any 12-month period in the history of the industry.

Tax-paid withdrawals of cigarettes from manufacturing plants and bonded warehouses during 1944 are estimated at 240 billion, but the actual supplies available for consumers in this country were somewhat less than this figure indicates because of direct Government purchases from jobbers and wholesalers of cigarettes upon which the tax had been paid. The exact amount of such transactions is not known but represents a considerable volume of cigarettes for overseas shipment. Furthermore, cigarettes included in gift packages from individuals in this country to members of the armed forces outside the United States were tax-paid cigarettes and therefore reduced the domestic supply to that extent. The present monthly rate of domestic consumption, as measured by tax-paid withdrawals, is running well below a year earlier. Tax-paid withdrawals during November 1944, the most recent month for which figures are available, amounted to approximately 20.6 billion, a decline of 15 percent below the corresponding period of 1943. The largest decline occurred during the last 3 months of 1944, when Government purchases were substantially larger than in earlier months.

Cigars

Although there is considerable fluctuation from year to year, the trend in per capita consumption of cigars has been downward for a long time, and the average consumption of 36 cigars per person of the total population in this country in 1944 was less than one-half the 1920 average. Consumption was remarkably stable during the first two decades of this century, however, having fluctuated from a low of 73 cigars per person in 1900 to a high of 87 cigars in 1906. Consumption of cigars increased somewhat during the first part of this war, and probably reached a peak for the war period during the calendar year 1942 when the number withdrawn for domestic usage averaged 46 per person in this country, the highest since 1930. Since 1942 consumption within the United States has declined.

November 1944 was the 23rd consecutive month in which tax-paid withdrawals showed a decline below the corresponding month of the preceding year and, for the first 11 months of 1944, totaled slightly less than 4.5 billion, a decline of 9 percent from the first 11 months of the preceding year. Consumption in this country during this period was at the lowest level in over a decade and only slightly above the depression low of 1932-33. Withdrawals of 453 million during November 1944 were almost 5.5 percent below November 1943. Like other tobacco products, tax-paid withdrawals of cigars do not include the large volume shipped abroad. If tax-free cigars (those shipped abroad and consigned to veterans hospitals in this country), data for which are confidential, were added to tax-paid, the indicated production by factories in this country during the war period would show a decline considerably less than the decline indicated by tax-paid withdrawals.

The trend toward high priced cigars which began almost two years ago is still continuing. Internal Revenue figures indicate that the decrease in consumption of cigars is altogether in the low-priced groups, some of which have completely disappeared from the markets. For each of the 11 months of 1944 for which data on production by classes are available, classes A, B, and C, all low-priced cigars, have shown declines from the same months of the previous year. During November 1944, these classes showed declines of 65 percent, 54 percent, and 54 percent, respectively, under November 1943. On the other hand, classes D, E, F, and G, all higher-priced cigars, showed increases ranging from 41 percent in class E to 571 percent in class D. This shift in domestic consumption is largely the result of increased consumer purchasing power and the inability of consumers to obtain lower-priced cigars. Because of higher costs and the gradual decline in manufacturing margins on low-priced classes, it has been profitable for many manufacturers to discontinue those brands and to concentrate on the production of higher-priced cigars.

Smoking Tobacco

In the aggregate and on a per capita basis, consumption of smoking tobacco in this country in 1944 reached the lowest level in the present century. Prior to the outbreak of this war, per capita consumption remained remarkably stable and the total consumption, in pounds of tobacco, increased along with the increase in population. Since the beginning of the war, consumption has declined rather consistently, and on a per capita basis, reached the lowest point in many years during 1944.

Production of smoking tobacco during the first 10 months of 1944, as reported by the Bureau of Internal Revenue, totaled 109 million pounds, a decline of about 18 percent below the 133 million reported for the first 10 months of 1943. It appears likely that the low point in the consumption of smoking tobacco for the war period has been reached and that a reversal of the trend will be seen at an early date. Back of the decline in smoking tobacco consumption in this country during the war are the higher level of individual incomes with the resulting willingness of consumers to buy cigarettes. Consequently, pipe smoking has given way to a certain extent to cigarettes and to the use of chewing tobacco and snuff.

Chewing tobacco and Snuff

Although the consumption of chewing tobacco has shown an increase over pre-war years, it does not appear to represent a reversal of the downward trend which began more than a quarter of a century ago. Consumption, as measured by sale of revenue stamps, reached an all-time peak of 268 million pounds during World War I, and in 1918 began a downward trend which continued, with minor interruptions, until the outbreak of this war, when only 100 million pounds were withdrawn in 1940. Consumption in 1944 is preliminarily placed at 126 million pounds, an increase of about 10 percent over 1943.

Consumption of snuff, on a per capita basis, has remained remarkably stable over a long period of time. Tax-paid withdrawals have tended to increase along with the increase in population. As in the case of chewing tobacco, consumption of snuff has increased under war conditions, and, as employment in war plants is reduced, consumption will likely decline somewhat from present levels.

FLUE-CURED, TYPES 11-14 1/Prices Highest Since 1919; Value
of Crop at All-time Peak

The 1944 season average price paid producers for all flue-cured tobacco (types 11-14) was approximately 42-1/2 cents per pound, as compared with 40.2 cents paid growers for the 1943 crop. Prices were the highest since 1919 when the average was 44.4 cents per pound. The increase this season in both production and price resulted in a record return to farmers of about 450 million dollars, compared with 317 million in 1943, the previous high, and with the pre-war (1934-38) average of 170 million dollars. Despite periods of considerable weakness, demand for flue-cured leaf was exceptionally strong again this season and prices were well maintained. The continued high level of consumption of domestically manufactured tobacco products, especially cigarettes, and purchases of the Commodity Credit Corporation were important contributing factors. 2/ In addition, the quality of the flue-cured crop as a whole was probably better than 1943. Although the season was characterized by extremes of weather conditions, flue-cured production in general contained a fair proportion of choice and fine grades.

1/ Most flue-cured markets were closed for the season by December 22. In the Old and Middle Belt, markets reopened January 9 for completion of sales of the 1944 crop. The opening and closing dates by Belts were: Georgia-Florida (type 14), July 31 to September 8; Border Belt (type 13) August 8 to October 20; Eastern North Carolina (type 12) August 28 to December 20; Middle Belt (type 11b), September 21 to January 19; Old Belt (type 11a) September 28 to January 27.

2/ Flue-cured leaf of the 1944 crop purchased or pledged to CCC totaled approximately 340 million pounds.

For the third consecutive season, flue-cured tobacco was placed under maximum price regulation by the Office of Price Administration, effective July 28. Unlike the regulations governing the two previous crops, the order provided for a price differential of $4\frac{1}{2}$ cents per pound between tied and untied tobacco. In addition to the price ceilings at the grower's level, the 1944 regulation, also unlike those of previous years, provided for price control of the crop from producer to manufacturer. The regulation provided for mark-ups on resales by dealers based on historical prices charged various types of purchases. It also set prices that could be charged for stemming and redrying services performed by dealers.

Price advances over 1943 are shown for all types except Georgia-Florida type 14, which was down about 3 cents per pound. While last season's average price for type 14 was unusually high in relation to other types, the price differential of $4\frac{1}{2}$ cents per pound this season between tied and untied tobacco was a contributing factor to the relative low price paid for type 14. The largest advance in price this season over last was recorded for type 13, up about $3\frac{1}{2}$ cents per pound and the highest price ever received by growers for this type. Types 11 and 12 gained 3 cents and 2.6 cents, respectively, over last season's average prices. There was greater than usual uniformity between the season average prices of types 11, 12, and 13. Each of these types averaged approximately 42.8 cents per pound, compared with the 1944 ceiling of $43\frac{1}{2}$ cents on all tied flue-cured tobacco. The uniformity in prices between these types of flue-cured this season is probably a reflection of the strong demand and the pressure of prices against the established ceilings. Type 14 averaged 36 cents, 3 cents below the established ceiling for untied tobacco. (For additional information see the Tobacco Situation for September, 1944, and Maximum Price Regulation No. 549, Office of Price Administration.)

In addition to the price differential between tied and untied tobacco, another feature of the season was an agreement of the United States Tobacco Association which reduced the number of buyers by one set on all markets which had three or more sets in 1943, with an increase in selling time to compensate for the reduction. All other markets were allowed to sell only $3\frac{1}{2}$ hours per set of buyers each day. Sales were limited to 360 baskets per hour.

Price Increases Greater in Lower Grades

Following somewhat the same pattern of the previous season, the largest percentage increases in prices of flue-cured tobacco this season over last occurred in leaf of lower quality, and differences in prices of the higher grades were relatively small. Except for type 14, a majority of grades sold at higher average prices, although there was considerable variation from belt to belt. Prices of some of the lower grades were considerably above those of 1943, while some were well below the previous season. This tendency for the price of lower grades to increase proportionately more than the better qualities of leaf is a continuation of a trend which began several years ago. The upward price trend for lower grades was accentuated

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during the past two or three marketing seasons because ceilings were in terms of over-all season average price which could be paid by individual buyers, rather than in terms of specific grades. Consequently, purchases of lower quality leaf tobacco by manufacturers and dealers have been stimulated by the necessity for buying large proportions of the lower-priced grades in order to hold down the average price of all purchases.

Disappearance at Record Level;

Improvement in Stocks

Situation Foreseen

Disappearance of flue-cured tobacco, through domestic manufacturing and exports, is continuing at or near the highest level on record, and stocks at the beginning of the present marketing year (July 1, 1944) were below those of a year earlier. Disappearance of flue-cured during the 1944-45 season is expected to total approximately 1 billion pounds, a slight increase over the 980 million pounds of the preceding marketing year, and 42 percent over the pre-war 1934-38 annual average. Although some further increase in domestic consumption and exports may take place during the present season, stocks may be somewhat larger on July 1, 1945, than a year earlier, because of the large 1944 crop. On July 1, 1944, combined stocks held by manufacturers and dealers in this country totaled 1,189 million pounds, 190 million below July 1, 1943. However, of this total, about 130 million pounds consisted of leaf held by or for the account of the Commodity Credit Corporation and the Office of Distribution and ear-marked for export.

Of the total stocks of 1,189 million pounds on July 1, more than 1 billion pounds were available for domestic manufacturing, which is about the same as a year earlier. At the current rate of manufacturing the over-all stocks of flue-cured at that time were sufficient for about 18 months' utilization, which was below normal for the industry as a whole. There is some indication, however, that some manufacturers are operating with relatively smaller stocks than other manufacturers.

Acquisitions of tobacco from the 1944 flue-cured crop by the Commodity Credit Corporation totaled approximately 337 million pounds, about 330 million pounds of which represents tobacco ear-marked for export. With some 1943-crop tobacco still on hand, and stocks in foreign countries extremely low, exports in 1944-45 may be somewhat larger than last year. Of the total exports to Allied and friendly nations in 1943-44, approximately 1/3 consisted of shipments under lend-lease arrangements and 2/3 were regular cash transactions. Even though disappearance is greater this season than last, because of the large supplies made available by the 1944 crop, stocks on July 1, 1945, should be above those of the same date of the previous year. After deducting Commodity Credit Corporation holdings, such stocks next July 1 are expected to be larger than the average level of stocks in most pre-war years, but will be below normal in relation to the present high rate of consumption. Present stocks of most manufacturers are not sufficient to allow for aging of tobacco for as long a period as in some recent years. It is likely, however, that the peak of production of cigarettes for the war period is near, or possibly has been passed.

Post-War Prices Dependent
Upon Export Markets

Inasmuch as more than 40 percent of the flue-cured tobacco produced in this country is normally exported, United States growers have a vital stake in foreign trade, and post-war prices will depend to an important degree upon the maintenance of foreign markets. In view of the fact that stocks of leaf tobacco in the major importing countries are extremely low, it appears likely that a sharp increase in foreign demand for United States flue-cured tobacco may follow as soon after the end of the war in Europe as transportation permits, but the exact level will depend on a number of factors such as the nature and extent of aid given Allied and liberated nations, international monetary and credit policies, trade agreements, import duties, internal taxes, availability and prices of tobacco, and the extent of the preferences given British Empire grown tobacco. Before lend-lease is terminated and normal trade relations restored with Great Britain and liberated countries, a system of export or import priorities will likely be established and credit arrangements decided upon. Inasmuch as tobacco has been an important source of Government revenue in nearly all countries, tobacco may be given special consideration. It appears reasonable that dollar exchange will be at a premium in most countries of the world and that imports into liberated Europe for some time to come will be in a large measure selective and regulated.

Although it appears likely that exports of flue-cured tobacco from this country during the next two or three years may be as large as available supplies will permit, it is possible that, over a longer period of time, exports may tend to decline. The United Kingdom has always been the most important market for flue-cured tobacco produced in this country. During the 7 pre-war years, 1933-39, almost 60 percent of all flue-cured exports went to that country alone, and more than 68 percent of the British Empire as a whole. Since 1939, more than 70 percent of all exports have gone to the countries of the British Empire. China and Japan were important markets for United States flue-cured tobacco prior to the war, but exports to those countries were completely cut off by the war in the Pacific, and, inasmuch as production of flue-cured in the Far East has increased in recent years, these markets are not expected to be significant, at least in the near future. Exports of flue-cured to the Continent of Europe have declined over a period of years, and inasmuch as production there has increased, the outlook for exports to those countries, after stocks are again built up to normal, is not particularly favorable.

Despite the heavy internal taxes and the preferential treatment given Empire-grown tobacco, the United Kingdom promises to continue to be the most important market for United States-grown flue-cured tobacco in the early post-war period. However, from the longer-term viewpoint, conditions there are not particularly favorable. The proportion of the total imports of Empire-produced flue-cured retained for home consumption in the United Kingdom has increased over a period of years, and this trend may continue unless the preferential duty is removed or substantially reduced. In 1923, tobacco from the United States accounted for more than 90 percent of the total United Kingdom tobacco imports, whereas in the years just preceding the war

(1935-39) they had declined to about 74 percent of total imports. Another factor, of perhaps greater importance in limiting exports of United States tobacco over a longer period of time, is the upward trend in production in the countries of the British Empire. India produces flue-cured tobacco in sufficient quantities to be a vital factor in post-war British markets.

It is particularly significant that purchases of flue-cured tobacco by the Commodity Credit Corporation for British account during the war has made possible the continued use of United States tobacco in British blends of cigarettes. British smokers have become accustomed to smoking cigarettes made in part from "Pure Virginia" tobacco and war-time shipments have made possible a continuation of this consumer preference for United States-grown flue-cured tobacco.

Table 1.- Flue-cured tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-44 1/

| Year. | Production | Stocks, July 1 | Total supply | Disappearance: year beginning July | Average price per pound |
|----------------------|-------------------|-------------------|-------------------|--|-------------------------------|
| | Million pounds | Million pounds | Million pounds | Million pounds | Cents |
| Average | | | | | |
| 1934-38 | 741.0 | 844.9 | 1,585.9 | 703.9 | 22.9 |
| 1939 | 1,168.8 | 946.3 | 2,115.1 | 705.4 | 14.9 |
| 1940 | 759.9 | 1,409.7 | 2,169.6 | 576.7 | 16.4 |
| 1941 | 649.5 | 1,592.9 | 2,242.4 | 783.0 | 28.1 |
| 1942 | 811.7 | 1,459.5 | 2,271.2 | <u>2/</u> 877.0 | 38.4 |
| 1943 | 788.5 | 1,378.8 | 2,167.3 | 978.5 | 40.2 |
| 1944 <u>3/</u> | 1,080.0 | 1,188.8 | 2,268.8 | | 42.1 |

1/ Farm-sales-weight equivalent.

2/ Owing to a change in the method of reporting Commodity Credit Corporation holdings, the 1942-43 season disappearance figure does not agree mathematically with the difference between the supply as of July 1, 1942 and stocks as of July 1, 1943. For an explanation see the 1943-44 Flue-cured Market Review.

3/ Preliminary..

Marketing Quotas in Effect in
1945-46 Season; Allotments
Same as 1944

In accordance with the Act of Congress approved March 31, 1944, the War Food Administration has announced that marketing quotas on flue-cured tobacco will be in effect during the 1945-46 marketing year. It was also stated that marketing quotas will not be in effect during the 1945-46 marketing year on any other kind of tobacco except burley. Under the national marketing quotas announced for flue-cured, individual farm acreage allotments for the 1945 crop will be the same as those in effect in 1944-45

marketing year, which totaled 1,095,000 acres. In addition to these allotments, an amount equal to 2 percent of the total acreage allotted to all farms in 1940 will be made available for increasing individual farm acreages found by local Agricultural Adjustment Agency committees to be inequitable.

Also, 5 percent of the national flue-cured quota will be made available in 1945 for establishing allotments for farms on which no flue-cured tobacco has been grown during the past five years. To be eligible for such an allotment either the farm operator or the person growing the tobacco shall have had experience within the past 5 years in growing tobacco and shall be living on the farm and largely dependent on the farm for his livelihood. Application for such allotments must be filed with the county AAA committee prior to March 1, 1945.

It is currently estimated that 1,080 million pounds of flue-cured tobacco have been produced with the 1944 marketing quotas in effect. This amount is substantially in excess of domestic consumption and exports during the 1943-44 marketing year, and exceeds current estimates of the requirements for domestic consumption and exports during the 1944-45 marketing year.

BURLEY, TYPE 31

Prices of Most Grades at Ceilings; Returns to Burley Producers at Record High

Sales of the 1944 crop of burley began December 11 with unusually strong demand for all grades of leaf, and prices of most grades at the established ceilings. Reflecting the high level of cigarette consumption and the relatively short supplies, practically all grades suitable for cigarette manufacturing have sold at ceiling prices. Some lots of inferior grades, however, have sold below the established ceilings. Through January 19 gross sales amounted to approximately 354 million pounds at an average price of 45 cents per pound. This corresponds with 45.2 cents for the corresponding period last year, and an average for the 1943-44 season of 45.6 cents. With almost 80 percent of the crop already sold, it is probable that the season average price for the 1944 crop of burley will be approximately 45 cents per pound, about 1/2 cent below last season. A smaller proportion of the crop this season has graded out as high-priced cutter and flyings than last year, and a larger percentage has fallen into the lower-priced, heavy leaf grades. As of December 1, the estimate of the Crop Reporting Board of the United States Department of Agriculture placed the 1944 production at 491.6 million pounds, an increase of 26 percent over the 1943 crop, and is by far the largest crop on record. Although the season average price per pound will likely fall below last year, burley growers will probably receive a record high gross income from this season's crop, and an income considerably in excess of the 178 million dollars received for the 1943 crops.

Ceiling Prices by Grades for
1944 Crop of Burley Same as
1943 Crop

On December 8, the Office of Price Administration announced that the maximum price for burley tobacco of the 1944 crop would be the same as for the 1943 crop. The order established ceiling prices by individual grades on warehouse floors and for sales by dealers. Amendment No. 2 to Maximum Price Regulation No. 500 (effective December 8, 1944), established ceiling prices on warehouse floors in terms of United States standard grades as follows:

| <u>Grades</u> | <u>Prices</u> | <u>Grades</u> | <u>Prices</u> | <u>Grades</u> | <u>Prices</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| Leaf | 1944 | Lugs | 1944 | Flying | 1944 |
| A1L | \$62.00 | C1L | \$60.00 | X4R | \$47.00 |
| A2L | 60.00 | C2L | 58.00 | X5R | 37.00 |
| A1F | 60.00 | C3L | 57.00 | X3G | 42.00 |
| A2F | 58.00 | C4L | 56.00 | X4G | 35.00 |
| A1R | 57.00 | C5L | 51.00 | X5G | 26.00 |
| A2R | 52.00 | C1F | 58.00 | | |
| B1F | 57.00 | C2F | 58.00 | Tips | |
| B2F | 56.00 | C3F | 57.00 | T3F | 41.00 |
| B3F | 52.00 | C3FM | 54.00 | T4F | 33.00 |
| B3FM | 49.00 | C4F | 55.00 | T5F | 25.00 |
| B4F | 46.00 | C4FM | 52.00 | T3R | 29.00 |
| B4FM | 43.00 | C5F | 49.00 | T4R | 23.00 |
| B5F | 37.00 | C5FM | 46.00 | T5R | 18.00 |
| B5FM | 34.00 | C3R | 55.00 | T3D | 23.00 |
| B1FR | 53.00 | C4R | 49.00 | T4D | 18.00 |
| B2FR | 48.00 | C5R | 42.00 | T5D | 15.00 |
| B3FR | 46.00 | C3G | 40.00 | T3G | 20.00 |
| B4FR | 40.00 | C4G | 35.00 | T4G | 18.00 |
| B5FR | 33.00 | C5G | 28.00 | T5G | 15.00 |
| B1R | 43.00 | | | | |
| B2R | 46.00 | Flyings | | Nondescript | |
| B3R | 40.00 | X1L | 57.00 | N1L | 26.00 |
| B4R | 33.00 | X2L | 57.00 | N2L | 21.00 |
| B5R | 26.00 | X3L | 56.00 | N1R | 13.00 |
| B3D | 31.00 | X4L | 52.00 | N1G | 13.00 |
| B4D | 25.00 | X5L | 43.00 | N2G | 9.00 |
| B5D | 20.00 | X1F | 58.00 | N2R | 9.00 |
| B3GF | 35.00 | X2F | 57.00 | | |
| B4GF | 28.00 | X3F | 56.00 | | |
| B5GF | 22.00 | X3FM | 53.00 | | |
| B3GR | 31.00 | X4F | 51.00 | | |
| B4GR | 24.00 | X4FM | 48.00 | | |
| B5GR | 18.00 | X5F | 42.00 | | |
| | | X5FM | 39.00 | | |
| | | X3R | 53.00 | | |

Allocation of the 1944 Crop Provided
for by Government Order

At the request of the tobacco trade and in anticipation of the exceptionally strong demand for burley the War Food Administration issued an order effective December 2, 1944, providing for allocation of the 1944 crop of burley among buying interests. The specific purpose of the order was to equalize the distribution of the 1944 burley crop among manufacturers and dealers.

In an amendment to the order announced January 1, 1945, the quantity of burley manufacturers were permitted to acquire was placed at 475.9 million pounds of which 417.9 million was to be purchased at auction and 57.7 million pounds purchased through dealers. In addition to the tobacco which dealers may acquire for resale to manufacturers, they are permitted to purchase 16 million pounds for export.

Demand for Burley Strong;
Stocks Above Year Ago;
Supply Larger

Although the quantity of 1944-crop burley available for purchase is 26 percent above last season and almost 70 percent above the 5-year (1934-38) average, the demand, largely because of the increased consumption of cigarettes and the low level of leaf inventories, has been extremely active again this season. Stocks held by manufacturers and dealers on October 1, 1944, totaled 651.1 million pounds, about 35 million below a year earlier, and the lowest for this date since 1937 when disappearance was at a much lower level. But the record breaking 1944 crop will result in an increase in the total supply of burley this season over last by about 66 million pounds, and will give the largest supply of burley on record. Disappearance of burley during the marketing year ending September 30, 1945, is preliminarily estimated at about 430 million pounds, a new record high, but considerably below 1944 production. This would leave about 713 million pounds in stocks on October 1, 1945, which would be above the level of most pre-war years, but below normal in relation to current disappearance.

Marketing Quotas in Effect in 1945-46 Season;
Acreage Allotments for 1945 Same as 1944

The War Food Administration has announced that marketing quotas on burley tobacco will be in effect during the 1945-46 marketing year, and that individual farm acreage allotments will be the same as those for 1944, which totaled 588,000 acres. The 1944 estimated harvested acreage is 472,700 acres, about 20 percent below total 1944 allotments. In addition to the acreage allotments, an amount equal to 2 percent of the total burley acreage allotted to all farms in 1940 will be made available for increasing individual farm acreage found by local Agricultural Adjustment Agency Committee to be inequitable.

Furthermore, it was stated that 5 percent of the national burley marketing quota will be made available in 1945 for establishing allotments for farms on which no burley tobacco has been grown during the past five years. To be eligible for such an allotment, either the farm operator or the person growing the tobacco shall have had experience within the past 5 years in growing tobacco and shall be living on the farm and be largely dependent on the farm for his livelihood. Application for such allotments must be filed with the county AAA committee prior to March 1, 1945.

It is currently estimated that 492 million pounds of burley were produced with the 1944 marketing quota program in effect. This production exceeds domestic consumption and exports during the 1943-44 marketing year by about 67 million pounds, and exceeds current estimates of the requirements for domestic consumption and exports during the 1944-45 marketing year.

Table 2.- Burley tobacco: Domestic supplies, disappearance, and average price, average 1934-38, annual 1939-44 1/

| Year | Production | Stocks Oct. 1 | Total Supply | Disappearance, year beginning October | Average price per pound cents |
|---------|------------|------------------|-----------------|---|---|
| | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | |
| Average | | | | | |
| 1934-38 | 286.9 | 700.9 | 987.8 | 314.2 | 22.2 |
| 1939 | 396.3 | 684.1 | 1,080.4 | 318.1 | 17.3 |
| 1940 | 375.3 | 762.3 | 1,137.6 | 339.6 | 16.2 |
| 1941 | 336.8 | 798.1 | 1,134.9 | 379.6 | 29.2 |
| 1942 | 343.5 | 755.3 | 1,098.8 | 412.8 | 41.8 |
| 1943 | 390.0 | 686.0 | 1,076.0 | 2/424.9 | 45.6 |
| 1944 2/ | 491.6 | 651.1 | 1,142.7 | | |

1/ Farm-sales weight. 2/ Preliminary.

MARYLAND, TYPE 32

The situation with regard to Maryland tobacco has changed little since the last Tobacco Situation, issued in September 1944. Stocks of Maryland are at the lowest level in many years, and in relation to the present high rate of disappearance, the lowest on record. Although a crop of normal size was grown in 1944, supplies available for 1945 are below those of last year, and below the average for the pre-war years 1934-38. Consumption of Maryland tobacco probably would be larger if supplies were available. A substantial increase in production of Maryland in 1945 over 1944, is unlikely inasmuch as the labor situation is not expected to improve and the capacity of curing barns is not sufficient to take care of any large increase.

Table 3.- Maryland tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-44 1/

| Year | Production | Stocks | | Disappearance | | Season average farm price per pound |
|---------|------------|--------------------------|--------------|-----------------------------|--|-------------------------------------|
| | | Jan. 1 of following year | Total supply | January 1 of following year | | |
| | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | | Cents |
| Average | | | | | | |
| 1934-38 | 27.5 | 38.4 | 65.9 | 27.5 | | 19.7 |
| 1939 | 32.8 | 36.3 | 69.1 | 25.9 | | 21.1 |
| 1940 | 32.6 | 43.2 | 75.8 | 30.8 | | 33.0 |
| 1941 | 31.2 | 45.0 | 76.2 | 28.5 | | 30.1 |
| 1942 | 28.1 | 47.7 | 75.8 | 32.0 | | 56.5 |
| 1943 | 20.8 | 43.8 | 64.6 | 2/ 55.2 | | 2/ 45.1 |
| 1944 | 2/ 32.2 | 3/ 29.4 | 3/ 61.6 | | | |

1/ Farm-sales weight. 2/ Preliminary. 3/ Estimated.

DARK TOBACCO

(Fire-cured, types 21-24 and dark-air-cured, types 35-37)

Prices Slightly Below Last Year 1/

Prices of all types of dark tobaccos sold so far this season have averaged below the corresponding period a year ago, although this season's prices are exceptionally high as compared with those prior to 1943. Demand was strong throughout the 1943-44 marketing season and prices advanced to the highest levels in the history of the industry. Factors contributing to the strength in prices of dark tobaccos this year and last are (1) the relatively large utilization of leaf in the manufacture of snuff and chewing tobacco, (2) the relatively low level of manufacturers' inventories, and (3) the anticipation of an increase in exports to liberated countries.

Unlike last year, no grades of dark tobacco are reserved this season solely for purchase by the Government for the manufacture of nicotine. However, an offer, at fixed prices, to purchase certain grades of Green River, One Sucker, and Eastern and Western Fire-Cured tobacco has been made by Commodity Credit Corporation. Any tobacco acquired under this offer will be diverted into the production of nicotine. So far this season, market prices have been well above the loan rates, and Commodity Credit Corporation purchase rates. Consequently, comparatively small quantities of tobacco have been pledged to the cooperative associations under the loan program and only a small quantity of tobacco has been acquired under the offer to purchase. However, sales in the Eastern and Western fire-cured area have been light thus far, it is not unlikely that substantial quantities of dark tobacco may be acquired under the purchase program for diversion purposes.

1/ Fire-cured markets opened on the following dates; Virginia fire-cured type 21-December 11; Eastern District, type 22- January 8; Western District, type 23 - January 2; Dark air-cured markets began on the following dates: One Sucker, type 35- December 8; Green River, type 36 - December 7; Virginia Sun-cured, type 37 - December 5.

Through January 13, 1945, gross sales of all fire-cured tobaccos from the 1944 crop, calculated from the reports of the Tobacco Branch of the War Food Administration, amounted to approximately 7 million pounds at an average price of about 24.1 cents per pound. This compares with an average of 23.4 cents per pound received by growers for the 1943 crop and 14.1 cents for the 1941 crop.

The 1944 crop of Green River (type 36) is considered one of the best in many years and prices are above those of 1943. Through January 16, 1945, marketings amounted to 10 million pounds, at an average of 26.0 cents per pound, as compared with an average of 29.4 cents received by growers for the 1943 crop. Gross sales of One Sucker through January 17, 1945, were 15 million pounds at an average of 22.0 cents per pound, compared with a season average of 24.8 for the 1943 crop, and 15.7 received by growers for the 1942 production. Through January 13 sales of Virginia Sun-cured (type 37) amounted to 1.1 million pounds at an average of 29.5 cents. This compared with 34.5 cents last season, and 22.7 cents for the 1942 crop. During the first week of sales, prices of type 22 fire-cured averaged about 23.8 cents per pound, about 2 cents below the corresponding period last season. Through January 13, 1945, gross sales of Western District fire-cured (type 23) amounted to 1.5 million pounds at an average of 20.9 cents.

Production at Low Level
But above 1943

Total domestic production of dark tobaccos in 1944 is preliminarily placed at about 107 million pounds, which is slightly greater than 1943, but 1/4 less than the average production during the 5-year period 1934-38, when there was a definite surplus of dark tobacco. The slight increase indicated for 1944 is due entirely to the larger acreage, as the yield per acre is below 1943. Also, the increase over 1943 is due primarily to the larger production of dark air-cured, since fire-cured is only slightly greater. Despite the small increase in dark tobacco, the 1944 crop is one of the smallest in many years, and represents a continuation of the long-time downward trend in the production of dark tobacco in this country.

Fire-cured production is placed at 65.4 million pounds, about 1 percent above, the record low of 64.8 million pounds produced in 1943. The pre-war (1934-38) average production of this type of tobacco was 110 million pounds and production at the end of World War I was close to 300 million pounds. The 1944 crop of Virginia fire-cured is placed at a little over 13 million pounds, up 3 million from 1943. Production of Henderson Stemming, once an important type of tobacco, has dropped to an extremely low level. Production in 1944 was only 95,000 pounds, as compared with a 10-year (1933-42) average of 1,680,000 pounds, and around 19,000,000 in 1919.

The 1944 production of dark air-cured (types 35-37) increased substantially over 1943. The crop is preliminarily placed at about 41-1/2 million pounds - an increase of 11 million over 1943. This is the largest crop of this class of tobacco since 1940 and exceeds the 1934-38 annual average production by about 6 million pounds.

Stocks Low in Relation to
Prospective Requirements

Largely as a result of the drastic decline which has taken place in the production of dark tobacco since the beginning of the war, stocks of all dark tobacco are low in relation to present demand and prospective post-war requirements. Dark tobacco inventories of manufacturers and dealers on October 1, 1944, totaled 231 million pounds, compared with 245 million on October 1, 1943, and a pre-war (1934-38) average of 257 million. The supply available for the 1944-45 season is about the same as the previous year, inasmuch as the decline in the carry-over is off-set by the increase in the 1944 crop. Domestic consumption and exports for the 1943-44 marketing year is placed at 109 million pounds, which was less than any recent year except 1940-41.

Stocks of fire-cured (types 21-24) as of October 1, 1944, were about 6 million below the 180 million reported on October 1, 1943. The 1944-45 supply is also below 1943-44. Total domestic consumption and exports of 71 million pounds for the 12 months ended September 30, 1944 was 5 million less than the preceding 12-month period. Stocks of dark air-cured were reduced still further during the past year, and on October 1, 1944 were at the lowest level since 1940. At the beginning of this season (October 1), stocks were reported at 58 million pounds, about 7 million below October 1, 1943 and 5 million below the 1934-38 average. Owing to the increase in 1944 production, the supply for the 1944-45 marketing year is placed at 99 million pounds, about the same as a year earlier. Disappearance of 38 million pounds of dark air-cured during the 1943-44 season was somewhat above 1942-43 but slightly below the pre-war average of 38.7 million.

Table 4.- Dark tobaccos: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-44 1/

| Year | Production | Stocks Oct. 1 | Total supply | Disappear- ance, year beginning Oct. | Average price per pound Cents |
|---|------------|------------------|-----------------|---|---|
| | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | |
| Fire-cured types 21-24, and: dark air-cured Types 35-37: | | | | | |
| TOTAL ALL DARK TOBACCOS | | | | | |
| Average 1934-38 | 145.2 | 257.0 | 402.2 | 161.4 | 10.0 |
| 1939 | 140.8 | 192.3 | 333.1 | 125.9 | 9.5 |
| 1940 | 150.1 | 207.2 | 357.3 | 99.0 | 9.0 |
| 1941 | 101.2 | 258.3 | 359.6 | 111.0 | 13.4 |
| 1942 | 106.7 | 248.6 | 355.3 | 2/110.2 | 16.4 |
| 1943 | 94.8 | 245.1 | 339.9 | 3/108.7 | 24.6 |
| 1944 <u>2/</u> | 106.8 | 231.2 | 338.0 | | |
| Fired-cured | | | | | |
| Total, types 21-24 | | | | | |
| Average 1934-38 | 110.0 | 194.2 | 304.2 | 122.7 | 10.2 |
| 1939 | 97.2 | 136.2 | 233.4 | 91.8 | 10.5 |
| 1940 | 107.6 | 141.6 | 249.2 | 65.5 | 9.5 |
| 1941 | 69.7 | 183.9 | 253.6 | 69.0 | 14.1 |
| 1942 | 71.5 | 184.6 | 256.1 | 2/ 76.3 | 17.1 |
| 1943 | 64.8 | 179.8 | 244.6 | 3/ 71.1 | 23.4 |
| 1944 <u>2/</u> | 65.4 | 173.5 | 238.9 | | |

Continued -

Table 4.- Dark tobaccos: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-44 1/ - Continued

| Year | Production | Stocks Oct. 1 | Total supply | Disappearance, year beginning Oct. | Average price per pound Cents |
|------------------------|------------|------------------|-----------------|--|---|
| | Mil. lb. | Mil. lb. | Mil. lb. | Mil. lb. | |
| Dark air-cured | | | | | |
| Total, types 35-37 | | | | | |
| Average 1934-38 | 35.2 | 62.8 | 98.0 | 38.7 | 9.4 |
| 1939 | 43.6 | 56.1 | 99.7 | 34.1 | 7.3 |
| 1940 | 42.5 | 65.6 | 108.1 | 33.7 | 7.7 |
| 1941 | 31.5 | 74.4 | 106.0 | 42.0 | 12.0 |
| 1942 | 35.2 | 64.0 | 99.2 | <u>2/</u> 34.0 | 15.2 |
| 1943 | 30.0 | 65.3 | 95.3 | <u>3/</u> 37.6 | 27.2 |
| 1944 <u>2/</u> | 41.4 | 57.7 | 99.1 | | |
| One Sucker, type 35 | | | | | |
| Average 1934-38 | 16.6 | 30.8 | 47.4 | 17.8 | 8.9 |
| 1939 | 22.3 | 28.9 | 51.2 | 19.3 | 6.5 |
| 1940 | 21.9 | 31.9 | 53.8 | 18.1 | 7.5 |
| 1941 | 15.7 | 35.7 | 51.4 | 19.9 | 11.4 |
| 1942 | 17.9 | 31.5 | 49.3 | <u>2/</u> 14.9 | 15.5 |
| 1943 | 17.0 | 34.4 | 51.4 | <u>3/</u> 22.9 | 24.8 |
| 1944 <u>2/</u> | 23.2 | 28.5 | 51.7 | | |
| Green River, type 36 | | | | | |
| Average 1934-38 | 15.9 | 29.3 | 45.2 | 18.3 | 9.7 |
| 1939 | 18.0 | 24.2 | 42.2 | 12.1 | 7.4 |
| 1940 | 17.5 | 30.1 | 47.6 | 12.6 | 7.6 |
| 1941 | 13.6 | 35.0 | 48.6 | 18.8 | 11.7 |
| 1942 | 14.9 | 29.8 | 44.7 | <u>2/</u> 16.7 | 13.7 |
| 1943 | 10.9 | 28.0 | 38.9 | <u>3/</u> 12.8 | 29.4 |
| 1944 <u>2/</u> | 15.4 | 26.1 | 41.5 | | |
| Va. sun-cured, type 37 | | | | | |
| Average 1934-38 | 2.7 | 2.7 | 5.4 | 2.6 | 11.5 |
| 1939 | 3.3 | 3.0 | 6.3 | 2.7 | 12.2 |
| 1940 | 3.1 | 3.6 | 6.7 | 3.0 | 9.3 |
| 1941 | 2.2 | 3.7 | 6.0 | 3.3 | 17.9 |
| 1942 | 2.4 | 2.7 | 5.2 | <u>2/</u> 2.3 | 22.7 |
| 1943 | 2.1 | 2.9 | 5.0 | <u>3/</u> 1.9 | 34.5 |
| 1944 <u>2/</u> | 2.8 | 3.1 | 5.9 | | |

1/ Farm-sales-weight equivalent.2/ Preliminary.3/ Estimated.

CIGAR-TOBACCOS, TYPES 41-62

Larger Production Indicated;
Stocks and Supplies Lower

The December 1 indicated production of all cigar tobacco in this country is 124.7 million pounds, 14.8 percent more than the 108.6 million produced in 1943. The 1944 crop is above 1943 for all types and in all major producing areas except in Georgia and Florida. Substantial increases are shown for Connecticut Valley Broadleaf (type 51) and Connecticut Shadegrown (type 61). By classes, the estimates for 1944, along with estimates for 1943 shown in parenthesis, are: Filler 56.7 (and 47.4) million pounds, binders 56.8 (51.2) million, and wrappers 11.2 (10) million pounds. In general the weather was favorable for cigar leaf production in 1944 and the indicated yield of 1,441 pounds per acre (all types) is greater by 10 percent than the average of 1,304 pounds for the 5-year period 1935-39. Largely because of the above-average war-time disappearance of cigar leaf and comparatively short crops in 1942 and 1943, stocks of cigar tobacco are now considerably below the pre-war years. Total stocks of domestically-grown cigar tobacco on October 1, 1944 were reported as 269.5 million pounds, 33 million below a year earlier and 48 million less than on October 1, 1942. Of the separate classes, stocks of filler and binder were smaller on October 1, 1944 than a year earlier, but in the case of the wrapper types a slight increase in stocks was reported.

Table 5.- Cigar Tobacco: Production, stocks, supply,
and price, average 1935-39, annual 1940-44

| Year beginning Oct. 1 | Production | Stocks Oct. 1 (farm-sales weight) 1/ | Total supply | Disappearance year beginning Oct. 1 | Average price per pound |
|-----------------------------|-------------------|---|-------------------|---|-------------------------------|
| | Million pounds | Million pounds | Million pounds | Million pounds | Cents |
| Average 1935-39 | 2/111.7 | 311.1 | 422.8 | 124.4 | 17.5 |
| 1940 | 144.0 | 298.7 | 442.7 | 137.3 | 17.4 |
| 1941 | 143.2 | 305.4 | 448.6 | 131.3 | 20.4 |
| 1942 | 118.6 | 317.3 | 435.9 | 143.4 | 25.8 |
| 1943 | 108.6 | 292.5 | 401.1 | 131.6 | 37.8 |
| 1944 3/ | 124.7 | 269.5 | 394.2 | | |

1/ Stocks for types 45 and 62 are as of July 1.

2/ Production was unusually low during this period.

3/ Preliminary.

Because of the larger 1944 crop, the total supply of cigar tobacco is not materially different from last season even though the beginning-of-season stocks were down. The supply situation, however, is somewhat different as far as the individual classes and types are concerned. Over a period of years, there has been a substantial reduction in the supply of cigar filler and binder tobacco, and the present supply is lower in relation to probable disappearance, than this ratio in pre-war years. The supply of wrapper, on the other hand has increased, and present stocks of domestically produced wrapper appear adequate.

Stocks of foreign-grown cigar leaf in the United States totaled 24.2 million pounds on October 1, 1944, about 1 million less than on October 1, 1943. Holdings of Cuban increased, whereas Sumatra and Philippine stocks were sharply reduced during the year. Sumatra and Java stocks on October 1, 1944, reported by manufacturers and dealers in this country, totaled 4 million pounds, as compared with 5.4 million a year earlier. Stocks of Philippine tobacco in this country are practically exhausted. Holdings on October 1 amounted to only 185,000 pounds, compared with 528,000 pounds a year earlier.

Prices About Same as Last Year:

Future Sales Frozen;

Ceilings Established

The demand for cigar tobaccos has been strong again this season and prices received by growers for those types which have been sold are about the same as last season. Most types have sold at or near the ceiling prices established by the Office of Price Administration.

Because of the anticipated strong demand for the 1944 crop, and, at the request of the industry and growers, the War Food Administration found it desirable last summer to freeze the future-contract purchase of most cigar filler and binder tobacco. Effective June 14, 1944, War Food Order 4.6 prohibited purchases of the filler types 41-44 and binder types 51-55. Because the time during which cigar tobaccos are sold varies from year to year, depending on the progress of crop and the type of tobacco, the restrictions on sales were to remain in effect until removed by War Food Administration.

Effective September 8, 1944, Revised Maximum Price Regulation No. 440 placed ceiling prices on the 1944 and succeeding crops of the Georgia and Florida Shade-grown tobacco (type 62). Under this regulation, prices set at the farm level are the same as those established for the 1943 crop, which contemplated a weighted average price of \$1.23 per pound. The revised regulation also continues the same prices for packers of Shade-grown which were in effect for the 1943 crop. These include specific dollar-and-cents ceilings for eight grades of sized and sorted leaves, ranging from a maximum of \$3.50 per pound for prime lights to a maximum of 90 cents for K-2. Specific maximum prices were also established for listed grades of sorted and unsized tobacco and for string grades. For the unlisted grades of sized and sorted leaves, the packer's maximum price is the highest price charged by him for the same tobacco of the 1942 crop. Jobber's prices of sales made to different classes of purchasers are based on the price per pound for the 1942 crop sold to each of such purchasers during the period October 1, 1942 through May 1, 1943.

Maximum Price Regulation No. 494 established maximum prices for sale by growers of domestic cigar filler and binder tobacco of the 1943 crop. A revision of this order, effective December 16, 1944, extends control to sales of the 1944 crop of filler and binder tobacco by growers and establishes mark-up factors for sales of these types made by packers, dealers, jobbers, and manufacturers. The revised regulation provides for ceiling prices on types 41-44 grown in Ohio and Pennsylvania, and types 51-55 grown in Connecticut, New York, and Wisconsin. The regulation

provides, that for most types of filler and binder the specific grade prices be the same as for the 1943 crop. There were some exceptions, however. In 1943 the maximum price of the strip straight grade of type 41 grown in York and Lancaster counties, Pennsylvania, was 10 and 11 cents per pound respectively. The revised regulation established a maximum price on this grade of 11 cents per pound without regard to the county in which it was grown. The 1944 regulation also reduces the price of wrappers and fillers of type 43 (Zimmer and Spanish) from 19 cents per pound to 18 cents per pound. Wrappers and fillers of type 44 (Dutch or Little Dutch) have been increased from 19 cents per pound to 20 cents per pound. For growers, the maximum price for fillers and binders as of December 16, 1944 are as follows (with differentials for transportation and packing):

FILLERS

| Type | Grade | Cents per pound selling weight |
|--|----------------------|--------------------------------|
| 41 Pennsylvania Seedleaf | Wrapper-B's | 21 |
| | Farm Fillers | 7 |
| | Strip Straight | 11 |
| 42 Ohio-Gebhardt and Hybrid Types (Seedleaf) | Wrappers and Fillers | 18 |
| | Strip Straight | 14 |
| | Farmer's Trash | 4 |
| 43 Ohio-Zimmer and Spanish (Havana Type) | Wrappers and Fillers | 18 |
| | Strip Straight | 14 |
| | Farmer's Trash | 4 |
| 44 Ohio-Dutch or Little Dutch | Wrappers and Fillers | 20 |
| | Strip Straight | 14 |
| | Farmer's Trash | 4 |

BINDERS

| Type | Grade | Cents per pound selling weight |
|---|--|--------------------------------|
| 51 Connecticut Broadleaf | Run of Crop (Unsorted in bundle) | 40 |
| | Sorted Tobacco (Not including Farmer's Trash). | 49 |
| | Farmer's Trash | 5 |
| 52 Connecticut Havana Seed | Run of Crop | 40 |
| 53 New York and Pennsylvania Havana Seed | Run of Crop | 22 |
| 54 Southern Wisconsin, except Grant County | Sorting of Binders | 25 |
| | Stemming Ends | 12 |
| | Strip Straight | 15 |
| | Farmer's Trash | 4 |
| 55 Northern Wisconsin, including Grant County | Sorting or Binders | 30 |
| | Stemming Ends | 12 |
| | Strip Straight | 15 |
| | Farmer's Trash | 4 |

Table 6.- Cigar tobaccos: Domestic supplies, disappearance, and season average price, average 1935-39, annual 1940-44 1/

| Type and year | Production | Stocks Oct. 1 2/ | Total supply | Disap- pearance year begin- ning Oct. 1 | Average price per pound |
|--|-------------------|------------------------|-------------------|--|----------------------------------|
| | Million pounds | Million pounds | Million pounds | Million pounds | Cents |
| Total filler, types 41-44 - | | | | | |
| 1940 | 66.6 | 148.7 | 215.2 | 60.6 | 11.9 |
| 1941 | 71.4 | 157.0 | 228.4 | 61.7 | 12.4 |
| 1942 | 53.6 | 166.7 | 220.3 | 66.8 | 13.2 |
| 1943 | 47.4 | 153.6 | 201.0 | 3/55.7 | 18.6 |
| 1944 3/ | 56.7 | 145.3 | 201.9 | | |
| Pennsylvania seedleaf, type 41- | | | | | |
| Average 1935-39 | 37.6 | 99.1 | 136.7 | 36.3 | 12.0 |
| 1940 | 50.1 | 106.0 | 156.1 | 41.8 | 13.3 |
| 1941 | 57.7 | 114.3 | 172.0 | 49.1 | 13.2 |
| 1942 | 41.6 | 122.9 | 164.5 | 54.9 | 13.7 |
| 1943 | 39.6 | 109.6 | 149.2 | 3/42.5 | 18.6 |
| 1944 3/ | 50.4 | 106.7 | 157.1 | | |
| Miami Valley, types 42-44 - | | | | | |
| Average 1935-39 | 15.2 | 53.5 | 68.7 | 19.8 | 8.5 |
| 1940 | 16.5 | 42.6 | 59.1 | 16.4 | 7.7 |
| 1941 | 13.7 | 42.7 | 56.4 | 12.6 | 9.3 |
| 1942 | 12.0 | 43.8 | 55.8 | 11.8 | 11.5 |
| 1943 | 7.8 | 44.0 | 51.8 | 3/13.2 | 18.3 |
| 1944 3/ | 6.3 | 38.6 | 44.9 | | |
| Total binder, types 51-56 | | | | | |
| 1940 | 67.9 | 136.0 | 203.9 | 67.2 | 14.5 |
| 1941 | 61.6 | 136.7 | 198.3 | 60.4 | 16.9 |
| 1942 | 55.7 | 137.8 | 193.5 | 66.9 | 20.3 |
| 1943 | 51.2 | 126.6 | 177.8 | 3/69.3 | 30.3 |
| 1944 3/ | 56.8 | 108.5 | 165.3 | | |
| Connecticut Valley broadleaf, type 51 - | | | | | |
| Average 1935-39 | 11.8 | 33.0 | 44.8 | 13.4 | 18.4 |
| 1940 | 12.3 | 27.5 | 39.8 | 16.5 | 21.0 |
| 1941 | 12.8 | 23.3 | 36.1 | 10.0 | 22.0 |
| 1942 | 10.4 | 26.1 | 36.5 | 14.2 | 26.0 |
| 1943 | 11.0 | 22.3 | 33.3 | 3/12.6 | 40.0 |
| 1944 3/ | 13.1 | 20.7 | 33.8 | | |
| Connecticut Valley Havana seed, type 52 - | | | | | |
| Average 1935-39 | 9.7 | 25.9 | 35.6 | 10.9 | 18.7 |
| 1940 | 13.8 | 24.5 | 38.3 | 12.8 | 21.7 |
| 1941 | 13.4 | 25.5 | 38.9 | 9.3 | 24.0 |
| 1942 | 12.7 | 29.6 | 42.3 | 13.3 | 26.4 |
| 1943 | 11.0 | 29.0 | 40.0 | 3/17.1 | 37.7 |
| 1944 3/ | 11.7 | 22.9 | 34.6 | | |

- Continued

Table 6.- Cigar tobaccos: Domestic supplies, disappearance, and season average price, average 1935-39, annual 1940-44 1/ - Continued

| Type and year | Production | Stocks Oct. 1 2/ | Total supply | Disap- pearance year begin- ning Oct. | Average price per pound |
|---|-------------------|------------------------|-------------------|--|----------------------------------|
| | Million pounds | Million pounds | Million pounds | Million pounds | Cents |
| New York and Pennsylvania | | | | | |
| Havana seed, type 53 - | | | | | |
| Average 1935-39 | 1.3 | 2.2 | 3.5 | 1.1 | 10.6 |
| 1940 | 2.0 | 3.2 | 5.2 | 2.1 | 12.0 |
| 1941 | 2.2 | 3.1 | 5.3 | 2.4 | 12.9 |
| 1942 | 1.9 | 2.9 | 4.8 | 3.0 | 13.8 |
| 1943 | 1.2 | 1.8 | 3.0 | 3/ .9 | 19.8 |
| 1944 3/ | 1.4 | 2.1 | 3.5 | | |
| Southern Wisconsin, type 54 - | | | | | |
| Average 1935-39 | 14.6 | 53.1 | 67.7 | 20.6 | 8.8 |
| 1940 | 20.4 | 43.6 | 64.0 | 24.6 | 8.5 |
| 1941 | 15.4 | 39.4 | 54.8 | 19.2 | 9.6 |
| 1942 | 13.8 | 35.6 | 49.4 | 13.3 | 16.2 |
| 1943 | 13.4 | 36.1 | 49.5 | 3/17.3 | 22.5 |
| 1944 3/ | 14.9 | 32.2 | 47.1 | | |
| Northern Wisconsin, type 55 - | | | | | |
| Average 1935-39 | 11.2 | 32.2 | 43.4 | 12.3 | 11.0 |
| 1940 | 17.6 | 36.0 | 53.6 | 9.9 | 11.7 |
| 1941 | 16.9 | 43.7 | 60.6 | 18.6 | 14.6 |
| 1942 | 16.1 | 42.0 | 58.1 | 21.8 | 16.4 |
| 1943 | 14.4 | 36.3 | 50.7 | 3/20.8 | 25.3 |
| 1944 3/ | 15.6 | 29.9 | 45.5 | | |
| Georgia and Florida sun-grown, type 56 - | | | | | |
| 1940 | 1.8 | 1.2 | 3.0 | 1.3 | 13.4 |
| 1941 | .9 | 1.7 | 2.6 | 1.0 | 14.5 |
| 1942 | .8 | 1.6 | 2.4 | 1.3 | 17.4 |
| 1943 | .2 | 1.1 | 1.3 | 3/ .5 | 22.0 |
| 1944 3/ | .1 | .8 | .9 | | |
| Total wrapper, types 61-62 - | | | | | |
| Average 1935-39 | 9.2 | 10.1 | 19.3 | 9.0 | 76.2 |
| 1940 | 9.5 | 12.9 | 22.4 | 10.7 | 75.8 |
| 1941 | 10.1 | 11.7 | 21.8 | 9.1 | 98.4 |
| 1942 | 9.2 | 12.7 | 21.9 | 9.6 | 132.1 |
| 1943 | 10.0 | 12.3 | 22.3 | 3/6.6 | 158.0 |
| 1944 3/ | 11.2 | 15.7 | 26.9 | | |
| Connecticut Valley shade-grown type 61 - | | | | | |
| Average 1935-39 | 6.5 | 7.3 | 13.8 | 6.3 | 78.8 |
| 1940 | 5.5 | 9.8 | 15.3 | 7.4 | 80.0 |
| 1941 | 6.4 | 7.9 | 14.3 | 6.3 | 113.0 |
| 1942 | 5.6 | 8.0 | 13.6 | 6.0 | 150.0 |
| 1943 | 6.3 | 7.6 | 13.9 | 3/5.2 | 185.0 |
| 1944 3/ | 7.7 | 8.7 | 16.4 | | |

- Continued

Table 6.- Cigar tobaccos: Domestic supplies, disappearance, and season average price, average 1935-39, annual 1940-44 1/ - Continued

| Type and year | Production | Stocks, Oct. 1 2/ | Total supply | Disap- pearance year begin- ning Oct. | Average price per pound |
|---|-------------------|-------------------------|-------------------|--|----------------------------------|
| | Million pounds | Million pounds | Million pounds | Million pounds | Cents |
| Georgia-Florida shade-grown, type 62 - | | | | | |
| Average 1935-39 | 2.7 | 2.8 | 5.5 | 2.7 | 69.9 |
| 1940 | 4.0 | 3.1 | 7.1 | 3.3 | 70.0 |
| 1941 | 3.7 | 3.8 | 7.5 | 2.8 | 73.0 |
| 1942 | 3.6 | 4.7 | 8.3 | 3.6 | 104.0 |
| 1943 | 3.7 | 4.7 | 8.4 | 3/1.4 | 138.0 |
| 1944 3/ | 3.5 | 7.0 | 10.5 | | |

1/ Farm-sales weight. Rounded type figures do not check, in all cases, to those previously published because of rounding to add to the total for the class. In no case is the difference more than one point.

2/ Stocks for types 56 and 62 are as of July 1.

3/ Preliminary.

Table 7.- Tax-paid withdrawals of tobacco products in the United States, July-June 1942-43, and July-November 1943-44 1/

| Products | Year beginning July | | | July-November | | |
|-------------------------------|---------------------|----------|---------|---------------|----------|---------|
| | 1942 | 1943 | Change | 1943 | 1944 | Change |
| | Millions | Millions | Percent | Millions | Millions | Percent |
| Small cigarettes | 244,828 | 258,272 | + 5.5 | 116,967 | 102,953 | - 12.0 |
| Large cigarettes | 4 | 10 | + 188.5 | 3 | 15 | + 410.2 |
| Large cigars | 6,003 | 4,879 | - 18.7 | 2,142 | 2,066 | - 3.5 |
| Small cigars | 130 | 143 | + 10.0 | 52 | 53 | + 1.9 |
| Snuff 3/ | 41,907 | 42,731 | + 2.0 | 17,063 | 16,763 | - 1.8 |
| Manufactured tobacco 3/ | 265,813 | 250,412 | - 5.8 | 115,614 | 116,403 | + .7 |

1/ Tax-paid withdrawals include products from Philippine Islands and Puerto Rico. After January 1942 tax-paid withdrawals from Philippine Islands are not included.

2/ Based on actual, not rounded figures.

3/ Thousand pounds.

Table 8.- Acreage and production of tobacco in the United States, by types, 1943 and 1944

| Type | Acreage | | | Production | | |
|--------------------------------------|---------|---------|---------|------------|---------|----------|
| | 1943 | 1944 | 1/ | 1943 | 1944 | 1/ |
| | 1,000 | 1,000 | Change | Million | Million | Change |
| | acres | acres | Percent | pounds | pounds | Percent |
| Total flue-cured, types 11-14 | 844.8 | 1,007.3 | 19.2 | 788.5 | 1,080.0 | 40.0 |
| Old and Middle Belt, type 11 | 320.0 | 366.0 | 14.4 | 284.0 | 376.4 | 32.5 |
| Eastern North Carolina, type 12 .. | 285.0 | 339.0 | 18.9 | 282.1 | 372.9 | 32.2 |
| South Carolina, type 13 | 157.0 | 190.0 | 21.0 | 147.6 | 218.5 | 48.0 |
| Georgia and Florida, type 14 | 82.8 | 112.3 | 35.6 | 74.8 | 112.2 | 50.0 |
| Total fire-cured, types 21-24 | 68.8 | 64.8 | - 5.8 | 64.8 | 65.4 | 0.9 |
| Virginia, type 21 | 12.2 | 14.0 | 14.8 | 9.8 | 13.3 | 35.7 |
| Kentucky and Tennessee, type 22 .. | 39.0 | 35.0 | - 10.3 | 38.1 | 36.3 | - 4.7 |
| Kentucky and Tennessee, type 23 .. | 17.5 | 15.7 | - 10.3 | 16.8 | 15.7 | - 6.5 |
| Henderson, type 24 | 0.1 | 0.1 | 0 | 0.1 | 0.1 | 2/ 5.6 |
| Burley, type 31 | 391.4 | 472.7 | 20.8 | 390.0 | 491.6 | 26.1 |
| Maryland, type 32 | 35.3 | 40.2 | 13.9 | 20.8 | 32.2 | 54.8 |
| Total dark air-cured, types 35-37 .. | 30.9 | 40.1 | 29.8 | 30.0 | 41.3 | 37.7 |
| One Sucker, type 35 | 16.7 | 22.1 | 32.3 | 17.0 | 23.2 | 36.5 |
| Green River, type 36 | 11.5 | 15.0 | 30.4 | 10.9 | 15.3 | 40.4 |
| Virginia sun-cured, type 37 | 2.7 | 3.0 | 11.1 | 2.1 | 2.8 | 33.3 |
| Total cigar filler, types 41-44 | 38.2 | 39.9 | 4.5 | 47.4 | 56.7 | 19.6 |
| Pennsylvania Seedleaf, type 41 .. | 31.4 | 33.6 | 7.0 | 39.6 | 50.4 | 27.3 |
| Miami Valley, types 42-44 | 6.8 | 6.3 | - 7.4 | 7.8 | 6.3 | -19.2 |
| Total cigar binder, types 51-56 | 32.6 | 36.2 | 11.0 | 51.2 | 56.8 | 10.9 |
| Connecticut Valley Broadleaf, .. | | | | | | |
| type 51 | 6.6 | 8.0 | 21.2 | 11.0 | 13.1 | 19.1 |
| Conn. Valley Havana Seed, type 52: | 6.5 | 6.6 | 1.5 | 11.0 | 11.7 | 6.4 |
| N. Y. and Pa. Havana Seed, .. | | | | | | |
| type 53 | 0.9 | 1.0 | 11.1 | 1.2 | 1.4 | 16.7 |
| Southern Wisconsin, type 54 | 8.9 | 9.9 | 11.2 | 13.4 | 14.9 | 11.2 |
| Northern Wisconsin, type 55 | 9.4 | 10.5 | 11.7 | 14.4 | 15.6 | 8.3 |
| Ga. and Fla., sun-grown, type 56 : | 0.3 | 0.2 | - 33.3 | 0.2 | 0.1 | 2/ -51.8 |
| Total cigar wrapper, types 61-62 ... | 9.6 | 10.4 | 8.3 | 10.0 | 11.2 | 12.0 |
| Conn. Valley shade-grown, type 61: | 6.3 | 7.3 | 15.9 | 6.3 | 7.7 | 22.2 |
| Ga. and Fla. shade-grown, type 62: | 3.3 | 3.1 | - 6.1 | 3.7 | 3.5 | - 5.4 |
| Total Miscellaneous | 0.3 | 0.4 | 33.3 | 0.2 | 0.2 | 2/ 40.0 |
| Louisiana Perique | 0.3 | 0.4 | 33.3 | 0.2 | 0.2 | 2/ 40.0 |
| Total all types | 1,451.9 | 1,712.0 | 17.9 | 1,403.0 | 1,835.4 | 30.8 |

1/ Preliminary.

2/ Based on actual, not rounded figures.

Table 9.- Stocks of foreign-grown cigar, cigarette, and smoking tobacco, by types, as reported combining unstemmed and stemmed, owned by dealers and manufacturers in the United States, quarterly, 1938-44

| Year and type | Jan. 1 | Apr. 1 | July 1 | Oct. 1 |
|---|-----------|-----------|-----------|-----------|
| | 1,000 lb. | 1,000 lb. | 1,000 lb. | 1,000 lb. |
| Total foreign-grown cigar leaf: | | | | |
| 1938 | 9,740 | 9,947 | 10,235 | 10,509 |
| 1939 | 10,418 | 10,571 | 11,350 | 12,577 |
| 1940 | 14,637 | 16,252 | 17,194 | 15,942 |
| 1941 | 15,876 | 17,241 | 19,850 | 19,225 |
| 1942 | 19,311 | 18,911 | 19,695 | 21,411 |
| 1943 | 19,939 | 19,636 | 22,546 | 22,067 |
| 1944 | 23,634 | 24,985 | 23,606 | 1/ 21,148 |
| Cuba (Havana), type 81: | | | | |
| 1938 | 6,248 | 6,266 | 6,647 | 6,772 |
| 1939 | 5,987 | 6,289 | 6,418 | 6,633 |
| 1940 | 6,495 | 6,810 | 6,942 | 7,156 |
| 1941 | 7,139 | 8,140 | 9,215 | 9,800 |
| 1942 | 9,539 | 10,107 | 11,899 | 13,193 |
| 1943 | 12,677 | 13,590 | 16,108 | 15,941 |
| 1944 | 18,084 | 19,704 | 19,103 | 1/ 17,313 |
| Sumatra and Java, type 82: | | | | |
| 1938 | 1,671 | 1,404 | 1,672 | 2,077 |
| 1939 | 2,247 | 1,879 | 2,494 | 3,021 |
| 1940 | 2,170 | 1,720 | 3,016 | 2,659 |
| 1941 | 2,435 | 3,362 | 5,313 | 5,036 |
| 1942 | 5,913 | 6,212 | 5,954 | 6,608 |
| 1943 | 6,027 | 5,134 | 5,658 | 5,357 |
| 1944 | 4,839 | 4,698 | 4,015 | 1/ 3,534 |
| Philippine Islands (Manila), type 83: | | | | |
| 1938 | 1,807 | 2,263 | 1,898 | 1,646 |
| 1939 | 2,181 | 2,245 | 2,280 | 2,913 |
| 1940 | 5,969 | 7,654 | 7,164 | 6,054 |
| 1941 | 6,197 | 5,712 | 5,199 | 4,236 |
| 1942 | 3,262 | 2,356 | 1,608 | 1,195 |
| 1943 | 864 | 635 | 539 | 461 |
| 1944 | 360 | 254 | 165 | 1/ 157 |
| Other foreign-grown cigar leaf, type 84: | | | | |
| 1938 | 14 | 14 | 18 | 14 |
| 1939 | 3 | 158 | 158 | 10 |
| 1940 | 3 | 68 | 72 | 73 |
| 1941 | 105 | 27 | 123 | 153 |
| 1942 | 597 | 236 | 234 | 415 |
| 1943 | 381 | 277 | 241 | 308 |
| 1944 | 351 | 329 | 323 | 1/ 144 |
| Total foreign-grown cigarette and smoking tobacco, type 90: | | | | |
| 1938 | 70,366 | 92,396 | 82,603 | 70,228 |
| 1939 | 86,239 | 108,128 | 101,530 | 92,655 |
| 1940 | 116,574 | 118,528 | 112,420 | 106,257 |
| 1941 | 101,733 | 98,583 | 108,802 | 99,487 |
| 1942 | 90,621 | 80,858 | 78,435 | 56,146 |
| 1943 | 76,792 | 67,989 | 57,494 | 56,390 |
| 1944 | 61,470 | 58,650 | 68,346 | 1/ 64,907 |

1/ Preliminary.